

100TH CONGRESS
2D SESSION

H.R. 3911

IN THE SENATE OF THE UNITED STATES

MAY 11 (legislative day, MAY 9), 1988

Received; read twice and referred to the Committee on the Judiciary

AN ACT

To amend title 18, United States Code, to provide increased penalties for certain major frauds against the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the Unite States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Major Fraud Act of
5 1988".

6 SEC. 2. CHAPTER 47 AMENDMENT.

7 (a) IN GENERAL.—Chapter 47 of title 18, United
8 States Code, is amended by adding at the end the following:

9 "§ 1031. Major fraud against the United States

10 "(a) Whoever knowingly executes, or attempts to exe-
11 cute, any scheme or artifice—

1 “(1) to defraud the United States; or

2 “(2) to obtain money or property from the United
3 States by means of false or fraudulent pretenses, repre-
4 sentations, or promises;

5 in any procurement of property or services for the Govern-
6 ment, if the value of the contract for such property or serv-
7 ices is \$1,000,000 or more, shall be fined under this title or
8 imprisoned not more than 10 years, or both.

9 “(b) If the offense involves a foreseeable and substantial
10 risk of personal injury, the term of imprisonment imposed
11 under subsection (a) of this section shall not be less than 2
12 years. The fine imposed for an offense under this section may
13 exceed the maximum otherwise provided by law, if such fine
14 does not exceed \$10,000,000 and—

15 “(1) the amount of the fraud is substantial in rela-
16 tion to the value of such contract and the gross loss to
17 the Government or the gross gain to a defendant is
18 \$250,000 or greater; or

19 “(2) the offense involves a foreseeable and sub-
20 stantial risk of personal injury.

21 “(c) A prosecution of an offense under this section may
22 be commenced any time not later than 7 years after the
23 offense is committed.

24 “(d)(1) Upon application by the Attorney General, the
25 court may order a payment from a criminal fine under this

1 section to an individual who furnished information leading to
2 the conviction under this section. The amount of such pay-
3 ment shall not exceed \$250,000.

4 “(2) An individual is not eligible for such a payment if—

5 “(A) that individual is an officer or employee of a
6 government who furnishes information or renders serv-
7 ice in the performance of official duties;

8 “(B) that individual failed to furnish the informa-
9 tion in a timely manner to the individual’s employer,
10 unless the court determines the individual had justifi-
11 able reasons for that failure; or

12 “(C) that individual participated in the violation of
13 this section with respect to which such payment would
14 be made.

15 “(e) Any individual who is discharged, demoted, sus-
16 pended, threatened, harassed, or in any other manner dis-
17 criminated against in the terms and conditions of employment
18 by an employer because of lawful acts done by the employee
19 on behalf of the employee or others in furtherance of a pros-
20 ecution under this section (including investigation for, initi-
21 ation of, testimony for, or assistance in such a prosecution)
22 may, in a civil action, obtain all relief necessary to make such
23 individual whole. Such relief shall include reinstatement with
24 the same seniority status such individual would have had but
25 for the discrimination, 2 times the amount of back pay, inter-

1 est on the back pay, and compensation for any special dam-
2 ages sustained as a result of the discrimination, including liti-
3 gation costs and reasonable attorneys' fees.".

4 (b) CLERICAL AMENDMENT.—The table of sections at
5 the beginning of chapter 47 of title 18, United States Code,
6 is amended by adding at the end the following new item:
"1031. Major fraud against the United States."

Passed the House of Representatives May 10, 1988.

Attest: DONNALD K. ANDERSON.

Clerk.